
Chapter 11

FUNDING AND INCENTIVES

Washington's Joint Natural Resources Cabinet (Joint Cabinet) is in the process of actively shaping a broad strategy to address protection and restoration needs of salmonid species and stocks throughout the state. The Statewide Salmon Strategy Framework (Appendix 1) was drafted by the Joint Cabinet and was approved by the Governor in January, 1998. It clarifies the intended direction of the Joint Cabinet. The Lower Columbia Steelhead Conservation Initiative (LCSCI) is an early product from the Joint Cabinet that provides a broad, multi-disciplinary and multi-level approach to protect and restore depressed stocks of wild steelhead in the lower Columbia River area. The initiative will also provide a framework to assess and respond to other at-risk salmon and trout species in the area as state and federal species reviews, conservation planning, and ESA processes continue. The LCSCI will thus provide a foundation upon which complementary conservation measures for all species in the lower Columbia River region will be coordinated and integrated.

Effective development and implementation of the LCSCI will rely on involvement from a wide range of partners, including state, local, and federal governments, tribes, private entities, and the public. Adequate funding will be critical to implementation of the LCSCI.

The LCSCI organizes conservation activities into two phases. Phase 1 activities are those that will be implemented with existing funding and authorities, whereas Phase 2 activities will require additional funding or authority. The purpose of this chapter is to provide an initial characterization of funding elements related to implementation of the LCSCI, especially Phase 2 activities. The chapter will also outline recommended or proposed incentive packages, as available.

Funding issues and alternatives for incentives for statewide salmon restoration are now under discussion by the Joint Cabinet, the legislature, and other partners. The outcomes of these discussions and their implications for the LCSCI are not clear at this time. Proposals for generalized and specific funding needs, approaches, and commitments will be included in subsequent drafts of the LCSCI. In addition, funding information will need to be updated over time as proposed conservation strategies and actions are refined in response to feedback from scientific reviews and contributions from partners.

Funding

Under the review of the Joint Cabinet, state agencies developed a supplemental budget package for the 1998 Legislative session which represents a down payment (\$2.114 million) on implementation of Phase 2 actions specifically related to the LCSCI. Governor Locke submitted his package to the legislature in December, 1997. His package included a number of other elements with benefits to the LCSCI. In addition to the Governor's supplemental budget request, the Legislature is considering a number of other bills which

would require funding for activities related to the LCSCI, including: a Governor's Salmon Recovery Office, an independent science review panel, watershed assessments, integrated watershed management (planning) units, regional habitat restoration councils and associated project implementers, fish passage barrier removals, and direct monies for habitat restoration projects. The Legislature is expected to approve a final supplemental budget in March, 1998. Funding could then become available by July 1998.

In the long term, the Joint Cabinet and the Legislature will be examining potential options for future funding of the LCSCI and other salmon recovery efforts across the state. It is anticipated that the selected options will be incorporated into the next biennial budget.

Because of the magnitude of the problem, state government alone will not be able to provide sufficient funding to implement the LCSCI or other salmonid recovery efforts. Many organizations and agencies outside of state government are currently contributing dollars to protection and recovery efforts in the LCSCI. A successful funding plan will require contributions from state, federal, and local governments, as well as private industry. These contributions will be developed in subsequent drafts of the LCSCI.

Incentives

Protection and restoration of steelhead, salmon, and trout and related fisheries in the LCSCI area will only be realized if effective and timely conservation measures are undertaken. Implementation of measures will be directly funded by a variety of entities and participants in the LCSCI. For example, the Governor's supplemental budget request includes an initial installment of state matching funds for an expanded federal program for restoring riparian areas affected by agriculture, the Conservation Reserve Enhancement Program. As a complement to direct implementation funding, it will be important to consider other economic and non-monetary incentives that encourage landowners and private business to undertake effective conservation actions. Options for incentives are now being explored by the Joint Cabinet and other parties.

The Joint Cabinet's draft State Salmon Strategy (Appendix 1) provides an initial outline of potential incentive options and funding strategies. These include:

- Tax credits
- Marketing mechanisms (e.g., sales, pricing, leasing, trading, and banking)
- Alternative mitigation
- Alternative taxes, fees, and surcharges
- Existing infrastructure programs (e.g., Public Works Trust Fund, Ref. 26, Ref. 38)
- Acquisition, endowments, donations, easements
- Changing or making exceptions to the I-601 expenditures limit
- Bonds and referenda, including modifying the state debt limit (e.g., exemption)